

## Michaud Statement on Health Insurance Reform Package

Sunday, March 21 2010

WASHINGTON, DC &ndash; Today, on the eve of a final vote in the House of Representatives, Congressman Mike Michaud, after thoroughly reading and reviewing the entire health insurance reform package, and after talking multiple times with Maine consumers, small businesses, and health care providers, issued the following statement on his intention to vote in favor of the final package tonight:

WASHINGTON, DC &ndash; Today, on the eve of a final vote in the House of Representatives, Congressman Mike Michaud, after thoroughly reading and reviewing the entire health insurance reform package, and after talking multiple times with Maine consumers, small businesses, and health care providers, issued the following statement on his intention to vote in favor of the final package tonight:

Tonight, I will support legislation that will help us move closer to more affordable and stable health care coverage for Maine's small businesses and families. While the bill is not perfect, it is an important first step toward fixing our broken and unsustainable health care system.

Like many Mainers, I have been frustrated with the process in Washington led by leaders in both parties. That's why I voted against the so-called "deem and pass" strategy that was considered. By putting pressure on the Democratic leadership, the strategy was abandoned and there will be a clean vote. These types of political maneuvers serve as a distraction and the American people rightly saw right through it.

One of my major concerns with the original House bill was how Maine providers were treated under the bill's Medicare and Medicaid provisions. Fortunately, the final package we will vote on includes incentives for hospitals to provide cost efficient, high quality care. This is a critical component of any health care reform and will benefit Maine because our hospitals provide among the most cost effective care in the country.

And while the final package decreases the scheduled cuts in reimbursement rates, it is not a comprehensive solution that providers in rural states like Maine are seeking. On that front, I have already started working with many of my colleagues to build on improvements in the bill so that we can arrive at a more long-term and comprehensive solution. For Maine, that means securing Boston Medicare reimbursement rates for our providers.

I am pleased that the Administration has recognized this fundamental problem in our health care delivery system. Department of Health and Human Services Secretary Kathleen Sebelius has committed to continuing to work on this issue. In fact, she will commission new studies on the Medicare reimbursement rate issue nationwide that will not only provide a clear picture of the problem, but also serve as a basis to make changes administratively through the implementation of the study's findings.

With regard to Medicaid, Maine has led the country in taking steps to reduce the uninsured population by expanding its program. Because of that, Maine already largely lives up to the goals of the bill's Medicaid expansion provisions. I am pleased that the bill recognizes Maine's good work and provides additional support to our Medicaid program. As a result, Maine and others states like it will receive additional Medicaid funding and more flexibility in administering the program, both things I fought very hard to include and which come at a critical time given our state's budget constraints. This change will provide Maine an additional \$154 million in federal funding from 2014 to 2019.

And I am particularly pleased with the steps that the legislation takes to help small businesses gain access to affordable health care coverage. Starting in 2014, small business employees will have access to a health insurance exchange where they will have the group purchasing power of a big business or union to get lower prices and better quality coverage. Starting immediately, small employers will be eligible to receive a tax credit for up to 35 percent of employee premiums. And businesses with fewer than 50 employees, which are about 96 percent of businesses in Maine, will be

exempt from any employer mandates contained in the bill. I would like to commend Senator Snowe's years of fighting for small businesses in Maine and her leadership in crafting many of the small business provisions contained in the Senate bill.

But the benefits in this bill are not limited to small businesses. Those who do not receive health care coverage through their employer will also be able to purchase coverage at group rates through the new health insurance exchanges, which are similar to the system that all federal employees and members of Congress currently enjoy. To make this insurance affordable for individuals and families, tax credits will be provided to help pay for the coverage.

The bill also holds a number of important benefits for seniors on Medicare. It lowers prescription drug costs for seniors by closing the prescription drug donut hole, ensures free preventive care for 252,000 Maine seniors, and extends the life of the Medicare trust fund by nine years. These are significant steps forward that will make a real difference in the lives of Maine seniors. For example, each year, 16,800 Medicare beneficiaries in Maine enter the Part D donut hole and are forced to pay the full cost of their prescription drugs. Under the bill, these beneficiaries will receive a \$250 rebate in 2010, 50% discounts on brand name drugs beginning in 2011, and complete closure of the donut hole within a decade.

In addition to providing this important support for families, seniors, and small businesses, the final package also holds great benefits for our national budget outlook. According to the nonpartisan Congressional Budget Office, the bill will reduce the deficit by \$143 billion over the next ten years, with \$1.2 trillion in additional deficit reduction in the following 10 years.

The final bill is a vast improvement to the status quo of skyrocketing premiums that millions of families and small businesses currently face. The bill gives patients and doctors more control over health decisions, not insurance companies, and ends practices like denying coverage for pre-existing conditions and dropping patients when they become sick.

While the package that we will vote on tonight is not a cure for every problem plaguing our health care system, it is a huge step in the right direction that we can build on.

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